

I claim:

- 1 1. A method for sharing risk of loss among a plurality of investment
2 instrument holders, the method comprising:
3 aggregating premiums to form a loss reduction fund, the premiums at least
4 partially contributed by the plurality of holders;
5 determining losses incurred by the plurality of holders at a predetermined time;
6 and
7 reimbursing at least a portion of the losses incurred by the plurality of holders,
8 wherein reimbursement to a particular investment instrument holder is at least partially
9 determined by the loss of the particular holder, with consideration for losses of the
10 plurality of holders.
- 1 2. A method according to claim 1, wherein reimbursing is from the loss
2 reduction fund.
- 1 3. A method according to claim 1, wherein reimbursing is from a fund other
2 than the loss reduction fund.
- 1 4. A method according to claim 1, wherein the premiums are determined as a
2 percentage of an investment instrument price.
- 1 5. A method according to claim 4, wherein the investment instrument price is
2 a current share trading price at the time the premiums are aggregated.

1 6. A method according to claim 1, wherein the investment instruments are
2 selected from a group including stocks, bonds, futures, options, derivatives, funds and
3 trusts.

1 7. A method according to claim 1, wherein the investment instruments are all
2 within the same or related investment categories.

1 8. A method according to claim 7, wherein the investment categories include
2 equity risk.

1 9. A method according to claim 7, wherein the investment categories include
2 beta.

1 10. A method according to claim 7, wherein the investment categories are
2 selected from a group including Standard Industrial Classification (SIC) codes, North
3 American Industrial Classification System (NAICS), securities indexes, and HOOVERS
4 securities sectors.

1 11. A method according to claim 1, wherein none of the plurality of holders
2 are reimbursed for a loss that is less than a threshold loss.

1 12. A method according to claim 11, wherein the portion of the loss that is
2 reimbursed begins at the threshold loss.

1 13. A method according to claim 11, wherein the threshold loss is a
2 percentage value.

1 14. A method according to claim 11, wherein the threshold loss is a dollar
2 value.

1 15. A method according to claim 1, wherein all of the plurality of holders are
2 reimbursed for a loss that is less than a threshold loss.

1 16. A method according to claim 15, wherein none of the plurality of holders
2 are reimbursed for a loss that is greater than the threshold loss.

1 17. A method according to claim 15, wherein the threshold loss is a
2 percentage value.

1 18. A method according to claim 15, wherein the threshold loss is a dollar
2 value.

1 19. A method according to claim 1, wherein the plurality of holders
2 experiencing the largest percentage of loss receive the largest percentage of loss
3 reimbursement.

1 20. A method according to claim 1, wherein the premiums are a percentage of
2 the value of the investment instruments at approximately the time that the premiums are
3 aggregated.

1 21. A method according to claim 1, further comprising creating a pool of a
2 plurality of loss reduction funds.

1 22. A method according to claim 21, wherein reimbursement to the particular
2 holder comes from the pool.

1 23. A method according to claim 21, wherein reimbursement to the particular
2 holder does not come from the pool.

1 24. A method according to claim 21, wherein the predetermined time of one
2 loss reduction fund is not necessarily the same as the predetermined time of another loss
3 reduction fund.

1 25. A method according to claim 21, wherein reimbursement to the particular
2 holder considers both losses correlated to the loss reduction fund of the particular holder,
3 and losses correlated to the other loss reduction funds in the plurality of funds.

1 26. A method according to claim 1, further comprising allocating risk through
2 risk capital allocation.

1 27. A method according to claim 1, further comprising redistributing profit.

1 28. A method for sharing risk of loss among a plurality of investment
2 instrument holders, the method comprising:
3 aggregating premiums to form a loss reduction fund, the premiums determined as
4 a percentage of a current trading price at the time the premiums are aggregated and at
5 least partially contributed by the plurality of holders;
6 determining losses incurred by the plurality of holders at a predetermined time;
7 determining a percentage loss threshold; and
8 reimbursing the plurality of investment instrument holders from the loss reduction
9 fund for losses less than the loss threshold.

1 29. A method for sharing risk of loss among a plurality of investment
2 instrument holders, the method comprising:
3 aggregating premiums to form a loss reduction fund, the premiums determined as
4 a percentage of a current trading price at the time the premiums are aggregated and at
5 least partially contributed by the plurality of holders;
6 determining losses incurred by the plurality of holders at a predetermined time;
7 determining a percentage loss threshold; and
8 reimbursing the plurality of investment instrument holders from the loss reduction
9 fund for losses greater than the loss threshold.

1 30. Computer executable software code transmitted as an information signal,
2 the code for sharing risk of loss among a plurality of investment instrument holders, the
3 code comprising:
4 code to aggregate premiums to form a loss reduction fund, the premiums at least
5 partially contributed by the plurality of holders;
6 code to determine losses incurred by the plurality of holders at a predetermined
7 time; and
8 code to reimburse at least a portion of the losses incurred by the plurality of
9 holders, wherein reimbursement to a particular investment instrument holder is at least
10 partially determined by the loss of the particular holder, with consideration for losses of
11 the plurality of holders.

1 31. A computer-readable medium having computer executable software code
2 stored thereon, the code for sharing risk of loss among a plurality of investment
3 instrument holders, the code comprising:
4 code to aggregate premiums to form a loss reduction fund, the premiums at least
5 partially contributed by the plurality of holders;
6 code to determine losses incurred by the plurality of holders at a predetermined
7 time; and
8 code to reimburse at least a portion of the losses incurred by the plurality of
9 holders, wherein reimbursement to a particular investment instrument holder is at least
10 partially determined by the loss of the particular holder, with consideration for losses of
11 the plurality of holders.

1 32. A programmed computer for sharing risk of loss among a plurality of
2 investment instrument holders, comprising:
3 a memory having at least one region for storing computer executable program
4 code; and
5 a processor for executing the program code stored in the memory; wherein the
6 program code comprises:
7 code to aggregate premiums to form a loss reduction fund, the premiums at least
8 partially contributed by the plurality of holders;
9 code to determine losses incurred by the plurality of holders at a predetermined
10 time; and
11 code to reimburse at least a portion of the losses incurred by the plurality of
12 holders, wherein reimbursement to a particular investment instrument holder is at least

13 partially determined by the loss of the particular holder, with consideration for losses of
14 the plurality of holders.

1 33. A method for creating a loss reduction fund, the method comprising:
2 defining an investment category for the fund;
3 associating a plurality of investment instruments with the investment category;
4 and
5 calculating premiums for each investment instrument, the premiums held by the
6 fund and at least partially used to reimburse losses of the investment instruments.

1 34. A method according to claim 33, further comprising creating a pool of a
2 plurality of loss reduction funds.

1 35. A method according to claim 34, wherein a fund in the pool of loss
2 reduction funds includes investment instruments within the same or related investment
3 categories.

1 36. A method according to claim 34, wherein the funds in the pool of loss
2 reduction funds have different reimbursement terms.

1 37. Computer executable software code transmitted as an information signal,
2 the code for creating a loss reduction fund, the code comprising:
3 code to define an investment category for the fund;
4 code to associate a plurality of investment instruments with the investment
5 category; and

6 code to calculate premiums for each investment instrument, the premiums held by
7 the fund and at least partially used to reimburse losses of the investment instruments.

1 38. A computer-readable medium having computer executable software code
2 stored thereon, the code for creating a loss reduction fund, the code comprising:

3 code to define an investment category for the fund;

4 code to associate a plurality of investment instruments with the investment
5 category; and

6 code to calculate premiums for each investment instrument, the premiums held by
7 the fund and at least partially used to reimburse losses of the investment instruments.

1 39. A programmed computer for creating a loss reduction fund, comprising:

2 a memory having at least one region for storing computer executable program
3 code; and

4 a processor for executing the program code stored in the memory; wherein the
5 program code comprises:

6 code to define an investment category for the fund;

7 code to associate a plurality of investment instruments with the investment
8 category; and

9 code to calculate premiums for each investment instrument, the premiums held by
10 the fund and at least partially used to reimburse losses of the investment instruments.

1 40. A method for allocating funds from a loss reduction fund, the method
2 comprising:

3 determining respective losses of a plurality of investment instruments;

4 determining funds available in the loss reduction fund;
5 calculating a loss threshold; and
6 allocating funds from the loss reduction fund according to the threshold.

1 41. A method according to claim 40, wherein calculating a loss threshold
2 further comprises:
3 calculating a loss reimbursement percentage by dividing funds available by the
4 total of the respective losses; and
5 setting the loss threshold according to the loss reimbursement percentage.

1 42. A method according to claim 40, wherein calculating a loss threshold
2 further comprises:
3 calculating a loss reimbursement percentage that will compensate losses greater
4 than the loss reimbursement percentage; and
5 setting the loss threshold according to the loss reimbursement percentage.

1 43. A method according to claim 40, wherein calculating a loss threshold
2 further comprises:
3 calculating a loss reimbursement percentage that will compensate losses less than
4 the loss reimbursement percentage; and
5 setting the loss threshold according to the loss reimbursement percentage.

1 44. A method according to claim 40, wherein losses below the threshold are
2 not compensated.

1 45. A method according to claim 40, wherein losses above the threshold are
2 not compensated.

1 46. A method according to claim 40, further comprising allocating risk
2 through risk capital allocation.

1 47. A method according to claim 40, further comprising redistributing profit.

1 48. A method for allocating funds from a loss reduction fund, the method
2 comprising:
3 determining respective losses of a plurality of investment instruments;
4 determining funds available in the loss reduction fund;
5 calculating a loss reimbursement percentage that will compensate losses greater
6 than the loss reimbursement percentage;
7 setting a loss threshold according to the loss reimbursement percentage; and
8 allocating funds from the loss reduction fund for losses greater than the threshold.

1 49. A method for allocating funds from a loss reduction fund, the method
2 comprising:
3 determining respective losses of a plurality of investment instruments;
4 determining funds available in the loss reduction fund;
5 calculating a loss reimbursement percentage that will compensate losses less than
6 the loss reimbursement percentage;
7 setting a loss threshold according to the loss reimbursement percentage; and
8 allocating funds from the loss reduction fund for losses less than the threshold.

1 50. Computer executable software code transmitted as an information signal,
2 the code for allocating funds from a loss reduction fund, the code comprising:
3 code to determine respective losses of a plurality of investment instruments;
4 code to determine funds available in the loss reduction fund;
5 code to calculate a loss threshold; and
6 code to allocate funds from the loss reduction fund according to the threshold.

1 51. A computer-readable medium having computer executable software code
2 stored thereon, the code for allocating funds from a loss reduction fund, the code
3 comprising:
4 code to determine respective losses of a plurality of investment instruments;
5 code to determine funds available in the loss reduction fund;
6 code to calculate a loss threshold; and
7 code to allocate funds from the loss reduction fund according to the threshold.

1 52. A programmed computer for allocating funds from a loss reduction fund,
2 comprising:
3 a memory having at least one region for storing computer executable program
4 code; and
5 a processor for executing the program code stored in the memory; wherein the
6 program code comprises:
7 code to determine respective losses of a plurality of investment instruments;
8 code to determine funds available in the loss reduction fund;
9 code to calculate a loss threshold; and

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10 code to allocate funds from the loss reduction fund according to the threshold.

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